

Decision 06-03-011 March 2, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SKK Enterprises, Inc., a California corporation for a Passenger Stage Certificate consistent with Public Utilities Code §§ 226 & 1031 to conduct an on-call airport shuttle service to points in Los Angeles, Orange, Ventura, Riverside and San Bernardino Counties on the one hand and Los Angeles World Airport (LAX), John Wayne Airport (SNA) Ontario International Airport (ONT) Long Beach Airport (LGB) Bob Hope Airport (BUR), Los Angeles/Long Beach Harbor, AMTRAC and the Greyhound Terminal on the other hand and for a Zone of Rate Freedom pursuant to P.U. Code § 454.2.

Application 05-11-019
(Filed November 22, 2005)

O P I N I O N

Summary

This decision grants the application of SKK Enterprises, Inc. (Applicant), a corporation, pursuant to Pub. Util. Code § 1031 et seq., for a certificate of public convenience and necessity to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, and to establish a zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2.

Discussion

The application, as amended by letter dated December 1, 2005, requests authority to operate as an on-call PSC to transport passengers and their baggage between points in Los Angeles, Orange, Ventura, Riverside, and San Bernardino

Counties, on the one hand, and Los Angeles International (LAX), John Wayne (SNA), Ontario International (ONT), Long Beach (LGB), and Bob Hope (BUR) Airports, Los Angeles and Long Beach Harbors (HBRs), the Los Angeles Amtrak Station (Amtrak), and the Los Angeles Greyhound Terminal (Greyhound), on the other hand.

Applicant believes there is a need for the proposed service. It advises that passenger traffic, particularly in domestic travel, has been on the increase. SNA recently completed a major expansion brought about by increased usage over the past decade. Applicant also refers to studies conducted by LAX and SNA that show a substantial majority of the passengers using those airports originate or terminate their travel in the five-county region Applicant seeks to serve. It further advises that ONT will soon be putting out a request for proposals for concessionaires to provide airport shuttle service. Applicant would like to be able to respond, and PSC authority is a requirement of any award by ONT.

Applicant indicates that it has the experience and financial ability to operate the proposed service. Several individuals on its current board of directors have extensive experience in the transportation field over the past twenty years, and they are anticipated to contribute their expertise to the business. Applicant has options to lease or purchase a fleet of vans seating 7 to 11 passengers, but it is not committing any funds toward such lease or purchase until the requested operating authority is granted. Attached to the application as Exhibit C is Applicant's unaudited balance sheet that discloses assets of \$89,000 and no liabilities.

The proposed fares, as shown in Exhibit B of the application, range between \$9 (El Segundo - LAX) and \$132 (Lancaster - SNA). Applicant requests authority to establish a ZORF of \$12 above \$6 below the proposed fares. The minimum fare will be \$5. Applicant will compete with other PSCs, taxicabs,

charter limousines and sedans, public transit, and private automobiles in its service area. This highly competitive environment should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on November 29, 2005. Applicant requests a waiver from the provisions of Rule 21 of the Commission's Rules of Practice and Procedure which require service of a notice of the application on all city and county officials within whose boundaries the passengers will be loaded or unloaded. Applicant served a notice to the involved counties and airports. Applicant states that all parties that have an interest in Commission proceedings subscribe to or have access to the Commission's Daily Calendar. We shall exercise the discretion accorded to us by Rule 87 and grant the waiver requested by Applicant because it will be providing on-call service, not scheduled service, and service on all cities in the service territory would be burdensome.

In Resolution ALJ 176-3163 dated December 1, 2005, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3163.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Richard Clark is the assigned Examiner in this proceeding.

Findings of Fact

1. Applicant requests authority to operate as an on-call PSC to transport passengers and their baggage between points in Los Angeles, Orange, Ventura, Riverside, and San Bernardino Counties, on the one hand, and LAX, SNA, ONT, LGB, BUR, HBRS, Amtrak, and Greyhound, on the other hand.
2. Public convenience and necessity requires the proposed service.
3. Applicant requests authority to establish a ZORF of \$12 above and \$6 below the proposed fares set forth in Exhibit B of the application. The minimum fare will be \$5.
4. Applicant will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.
5. Applicant requests a waiver of the notice requirements of Rule 21 of the Rules of Practice and Procedure as it has served the involved counties and airports.
6. No protest to the application has been filed.
7. A public hearing is not necessary.
8. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. Public convenience and necessity has been demonstrated and the application, as amended, should be granted.
2. The request to waive the notice requirements of Rule 21 should be granted.
3. The request for a ZORF should be granted.
4. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff

should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.

5. Since the matter is uncontested, the decision should be effective on the date it is signed.

6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity (CPCN) is granted to SKK Enterprises, Inc. (Applicant), a corporation, authorizing it to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes set forth in Appendix PSC-19601, subject to the conditions contained in the following paragraphs.

2. Applicant shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
- c. File tariffs on or after the effective date of this order. They shall become effective ten days or more after the effective date of this order, provided that the Commission and the public are given not less than ten days' notice.
- d. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.

- e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.
- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- h. Enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code.

3. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$12 above and \$6 below the proposed fares set forth in Exhibit B of the application. The minimum fare will be \$5.

4. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.

5. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

6. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

7. Applicant is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of Applicant's vehicles for service.

8. Before beginning service to any airport, Applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are authorized by the airport's governing body.

9. The CPCN to operate as PSC-19601, granted herein, expires unless exercised within 120 days after the effective date of this order.

10. The notice requirements of Rule 21 of the Commission's Rules of Practice and Procedure are waived as notice of the application has been served upon parties that may have an interest in this proceeding.

11. The Application is granted as set forth above.

12. This proceeding is closed.

This order is effective today.

Dated March 2, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-19601

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

I N D E X

	Page
SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.....	2
SECTION II. SERVICE AREA	3
SECTION III. ROUTE DESCRIPTION	3

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

SKK Enterprises, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on an "on-call" basis between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. The term "on-call," as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- C. No passengers shall be transported except those having a point of origin or destination as described in Section IIB.
- D. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

- A. Points in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.
- B. Los Angeles International Airport
Ontario International Airport
John Wayne Airport
Bob Hope Airport
Long Beach Airport
Los Angeles and Long Beach Harbors
Los Angeles Amtrak Station
Los Angeles Greyhound Terminal

SECTION III. ROUTE DESCRIPTION.

Commencing from any point described in Section IIA, then over the most convenient streets and highways to any point described in Section IIB.